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ScienceDirect

Procedia - Social and Behavioral Sciences 93 (2013) 1681 – 1695

Procedia
Social and Behavioral Sciences

3rd World Conference on Learning, Teaching and Educational Leadership (WCLTA-2012)

Customer experience about service quality in online environment: A case of Iran

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Abstract

In recent years, regarding the turbulent and dynamic online markets, companies need to implement multifarious policies to be able to survive. They employ different technologies to enhance their core competencies. The pervasive impact of internet and online environment on customers directed many corporations to perceive online customer experience toward companies' services as an unlikely hot topic. In this paper, it was aimed to develop a new framework to illustrate the relationship between service quality and customer experiences in the online environment in Iran. This study through reviewing literature extracted four dimensions of customer experience, namely Pragmatic Experience, Sociability Experience, Usability Experience, and Hedonic Experience. Subsequently, the data from 150 respondents in Tehran (Iran) were collected and the Multiple Regression Analysis was employed to show the impact of each variable on service quality. The result of R square of 0.596 shows that 59.6% of the customer value is affected by the four identified independent variables. Moreover, other results in coefficient table showed that Hedonic Experience and Pragmatic Experience in this model have the most and lowest impact respectively.

Selection and peer review under responsibility of Prof. Dr. Ferhan Odabaşı

Keywords: Customer experiences, service quality, pragmatic experience, hedonic experience, usability experience, sociability experience iran, online environment;

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Selection and peer review under responsibility of Prof. Dr. Ferhan Odabaşı
doi:10.1016/j.sbspro.2013.10.101

1. Introduction

1.1. Overview

There is a general research aptitude among marketing researchers towards customers and consumer perspectives, and this has thus intrigued scholars to find out more about the characteristics of customers. In this regard, many concepts have been created, such as customer satisfaction, customer loyalty, customer devotion, customer experiences, customer buying behavior, customer equity, etc. It must also be noted that at the same time the increasing number of online users has caused companies to modify their structures so as to take into consideration online and virtual conditions. They have been attempting to pinpoint the essential factors (related to customer-based issues) which may have potential effects and benefits to their businesses. Both customers and companies believe that the use of the online infrastructure can facilitate the process of purchasing and selling of products. As result, there is a need for online services provided by companies to be of a certain quality in order to appropriately satisfy customers' needs and wants.

Nowadays, online product communities have changed with the presence, support and competition created by corporations such as Sony, Microsoft, IBM, and motorcycle manufacturer like Ducati (Nambisan and Watt 2011). Online facilities allow customers to make contact with companies and enable them to interact with each other. Prior researches conducted on the online behavior of consumers have studied their experiences in the online space.This research focuses on people's experiences in working with the Web in all forms of internet activities (e.g., web browsing, online searches, etc.).

There are numerous researchers who discussed about "Web Experiences" (Hoffman & Novak, 1996; Novak et al., 2000). Other authors have researched into online shopping and retail behavior of customers (Noble et al., 2005; Overby & Lee, 2006). How working with online websites could change and shape customers' preferences and their trends towards buying purposes were investigated is investigated in this research. A great body of studies has shown that online product communities have such unique characteristics and facilities that we have in effect to go far beyond investigating into simple "Web surfing" activities and consider an all-inclusive concept which could redefine the customer's online community experience (Nambisan & Watt 2011). The world of E-commerce has gained the attention of companies and in the past few years many companies have made their presence online felt and have made investments in electronic commerce. At the same time, advancements in information and communication technologies also enabled customers to use the internet wherever and whenever they want. All of these factors led to the rampant growth in e-commerce transactions in recent years and it is foreseen that the development will continue into the next year (Ho & Dempsey, 2010).

1.1.1. Customer experience

The concept of "customer experience" comes from the book "Experience Economy" by Pine and Gilmore published in 1999. The writers explained experience as the chance of building a new economy that comes after products, services and commodities. Customer experience is defined as the interactions of the users with products and companies, or of other segments of a company that stimulate some reactions (LaSalle and Britton, 2003; Shaw and Ivens, 2005). All assessments rely on the big difference shown between the stimuli and the expectation of users of what the company offers and its match to the contract. One method of measuring customer experience is by the level of consumption. An individual as a customer deals with a company or another individual or a firm (LaSalle and Britton, 2003).

The selling experienced and remembered by users provides them the linkage with the firm. Prahalad and Ramaswamy (2004) suggested that the customers' experience is what makes the firm; the firm's background and goods offered direct users' experience (Caru and Cova, 2003 and 2007). Verhoef et al. (2009) stated that the building of customer experience has some basic features, which include knowledge, emotional, affective, and physical responses of users. All of these as a whole defined the users, their thoughts and values that reflect their lifestyles, behaviors and relationships. By modification of Schmitt's (1999) work and adding in the dimension of

pragmatic experience, Gentile et al. (2007) suggested the general experience with six basic elements and relational elements.

1.1.2. Service quality

Service quality is the difference between performance and expectations. Lewis and Booms (1983) stated that service quality is an assessment, which defines the abilities of a delivered service to meet the needs of the customers. In comparison with the body of research studying the quality of face-to-face services, investigations of online service quality remain in their infancy (Serkan et al., 2010). SERVQUAL is one of the more usual methods used to evaluate online services (DeLone & McLean, 2003).

Factors that determine the quality of face-to-face services are different from that for online services, in terms of retail issues such as the amount of time needed, the effort involved and anticipated benefits of the transaction, for instance (Ding et al., 2007). When companies offer beneficial online self-services such as payment and shopping, they changed the mode of the delivered service from face-to-face to one that is technology-based. This effectively decreased the amount of contact needed with customers. Many basic factors of face-to-face services changed, making irrelevant factors like reliability and tangibility.

According to Parasuraman et al. (2005), any attempt to develop face-to-face services into online services can impact on the validity of such a convergence. Diminished reliability, adequacy and efficacy or constrained predictive validity may result. There is a growing need to expand the measurements of online self-services. Many measurements evaluate the quality of websites (Loiacono et al., 2002; Yoo & Donthu, 2001), the online service quality (Bauer et al., 2006; Parasuraman et al., 2005; Zeithaml et al., 2000), or the e-retailing quality (Wolfinbarger & Gilly, 2003).This study aimed to identify the main dimensions of customer experience in online environment, which have an effect on service quality and measure the impacts of these main components including pragmatic, hedonic, sociability and usability experience on service quality.

2. Literature review

2.1. Service quality

In comparison with the body of research studying of face-to-face service quality, research of service quality online keeps them (Serkan et al., 2010). The usual method used expands SERVQUAL for evaluation of online services (DeLone & McLean, 2003). Nevertheless, it must be recognized that face-to-face services are different from online services in their basic quality factors. For instance, retailing offers users a better ability to monitor their products and lowering their expectations. Online services like payment and shopping also act to switch service delivery from face-to-face to that based on technology, which decreases the contact required between users and staff. Consequently, many basic factors for face-to-face service quality, like reliability and tangibility, have become less relevant.

According to Parasuraman et al. (2005), expanding the concept of online service quality might result in questionable reliability, diminished adequacy and efficacy or constrained predictive validity. There is a growing need to improve on the means of evaluating the self-service online environment. Many evaluations only estimate the quality of web sites (Loiacono et al., 2002; Yoo & Donthu, 2001), the online service quality (Bauer et al., 2006; Parasuraman et al., 2005; Zeithaml et al., 2000), or the e-retailing quality (Wolfinbarger & Gilly, 2003). All of these measurements came from several improvements that occur in the past and they tend to emphasize on the vital behaviors of information systems; with little consideration of service factors of actual online services (Nelson et al., 2005; Wixom & Todd, 2005).

As Table 1 shows, SITEQUAL emphasizes on the quality of the system. In contrast, e-tailQ and E-S-Qual emphasize more on service and system quality.

Table 1: Online service quality scales in prior studies

Article	Scale	Information related	System related	Service related
Zeithaml et al.,2000	E-SQ		Access, ease of navigation, flexibility, reliability, price knowledge, aesthetics, efficiency, personalization, privacy,	Responsiveness, assurance
Yoo and Donthu,2001	ˈEQUAL		Ease of use, design, speed, security	
Francis and White,2002	PIRQUAL	Product attribute	Functionality, ownership conditions, security	Delivery, customer service
Loiacono et al.,2002	WEBQUAL	(1) Informational fit to task, ease of understanding, completeness	Appeal, response time, flow, image, operations, better than alternatives, innovativeness, interactivity, trust	
Barnes and Vidgen,2002	WEBQUAL	(2) Information	Usability, design	Empathy, trust
Wolfinbarger and Gilly (2003)	e-TailQ		Web site design, privacy	Fulfillment/reliability, customer service
Parasuraman et al.,2005	E-S-Qual		Efficiency, availability, privacy	Fulfillment
Parasuraman et al.,2005	E-Res-QUAL		Responsiveness	Compensation, contact
Bauer et al. (2006)	eTransQual		Reliability, process, functionality/design	Responsiveness, enjoyment

Information technology has a tendency of cycling in continuation, so those who intend to improve their services with better web site designs might surpass their competitors easily with improvements in system functions and ability to take in users' suggestions. Thus, service experiences must be a vital consideration for they might be able to provide competitive advantages (Ding, 2010). Hence, the features of online self-service in e-retailing must be sized up and a suitable measurement which covers all the necessary attributes of performance of e-retail service must be used.

In regards to online services, information quality generally contains complete events, albeit accurate ones, time lines and existence if deemed beneficial (Nelson et al., 2005). System quality of applications or systems encompasses basic aspects of information systems, like flexibility, accessibility, reliability and timeliness (Wixom & Todd, 2005). Representation of services suggests other vital elements of online service quality (Pitt et al., 1995; Wolfinbarger & Gilly, 2003). In e-retailing, service quality of a general e-retailer might impact on the feeling of satisfaction of users, their goals, experiences or buying decision (Cronin & Taylor, 1992).

2.2. Customer experience

The concept of "Customer experience" comes from the book "Experience Economy" by Pine and Gilmore, which was published in 1999. The writers have the definition of experience as the chance that appears after goods, services and commodities. Customer experience is considered the entire interaction among customers and products, companies, or other segment of a firm that derives a reaction (LaSalle & Britton, 2003; Shaw & Ivens, 2005). Its assessment relies on the difference between the expectation of users and the stimulation coming from the firm's relationship and what it offers which match the important and distinct elements of the association. Customers' experience is a regenerate method to delineate the famous consumption definition. It is a general view that sees an individual compared to a customer in a distinct way, and each association is through an individual or a firm (LaSalle & Britton, 2003).

Value creation is not contributed merely to making users experience memorable but also to providing users the possibility of living their entire association with a firm in a wonderful way, even if they did not expect it. Prahalad and Ramaswamy (2004) suggested that users be engaged with co-creating their own special experience with a firm. Firms providing goods with strong backgrounds that direct experiences might be appropriately used by users to create their own special experiences (Caru & Cova, 2003, 2007). This phenomenon (co-creation) is a vital feature in providing a prominent or complete experience for customers.

Adopting a co-creation attitude involves engaging customers in a discourse and association with those who covers through production, goods' design, consumption and delivery. Gentile et al. (2007) assumes that users' experience is a new consideration that can provide value for, not only firms but also users, and a good experience should generally engage an individual at different degrees. The behavioral and psychological researches (Anderson, 1995; Brakus, 2001; Schmitt & Simonson, 1997) identified three vital systems, cognition, affect and sensation; and each of these has its own function, principles and mutual associations. Verhoef et al. (2009) stated that the experience of a user can be general in nature and covers affective, feeling and physical responses of users.

These above-mentioned researches consider a set of customer's actions, the system of values and beliefs (which reflect one's lifestyle and behaviors) and relationships. By modification of Schmitt's (1999) work and adding pragmatic experience factors, Gentile et al. (2007) suggested the general experience of the user model and the six basic elements of it: emotional component (feel); a sensorial component (sense); lifestyle component (act); cognitive component (think); pragmatic component; and relational component (relate). Customers comprehend each experience as a complex feeling, and hardly can distinguish the components from one another; in fact, there would be the occasional relevant overlapping areas and clear interrelations.

2.2.1 Pragmatic dimension

Online product communities play a vital role in providing an environment for users in which an individual can venture out and find solutions to particular goods-related problems or to receive recommendations and advice on new goods. Therefore, a vital element of users' total online community experience is formed by the value of such communities in its entirety (Nambisan & Watt, 2011).

The factor of dimension is related to users' goal orientation behavior (Hoffman & Noval, 1996) and would show if users have found the experience with the online team useful, worthy or valuable (Mathwick et al., 2001). Thus, the pragmatic factor is connected to practical and utilitarian activities if we are considering the experience of users in a team.

2.2.2 Hedonic dimension

This is regarded as the intrinsic value, which users perceive from the association in online goods groups. This factor indicates users' feelings of excitement presented in the place where their desired goals are a vital issue. Both brands and products, and strong engagement association in line with the desired aims to collectively provide users the context to gain the feeling of enjoyment and fun, which can be interpreted into a positive hedonic experience (Voss et al., 2003; Mummalaneni, 2005). Associations might become boring to users over time, so much so that it will decrease the rate of hedonic experience to a very low level (Honeycutt, 2005; Mummalaneni, 2005).

2.2.3 Sociability dimension

The sociability dimension of OCE is considered as the social experience which a member (customer) extracts from his/her association with the online goods community. These elements size up the knowledge of users based on their total friendliness, openness and politeness. As earlier mentioned, especially in the online goods community, the groups of peer users who build the atmosphere of sociability could deliver positive experiences of sociability, which could easily in turn develop into a higher number of network ties and more linkages (Preece, 2000). On the slip side, negative associations to reflect on the online group – as an example, flaming or rude and unsuitable postings will degrade the social experience of members (Honeycutt, 2005).

2.2.4 Usability dimension

This is explained as the experience of users in surfing and participation in the online environment (Nambisan and Watt, 2011). Thus, this dimension reflects the aspects of technology in relations to its ease of use to the online goods team. Higher degree of usability experience can strengthen the capabilities of users to navigate their presence in the online atmosphere without barriers keeping them from their desired goals (Nielsen, 2000;

Shneiderman & Plaisant, 2004; Preece, 2000). Likewise, a low degree of usability experience can be improved by applying technology and other kinds of navigational elements which have an impact on users' association and the process of information acquisition (Venkatesh & Agarwal, 2006; Nielsen, 2000).

2.3. Customer experience and perceived service quality

In many corporations, especially firms with a technology background, online goods groups have become as their major service infrastructure. As an example, firms like Microsoft, Dell and IBM created their online goods team as after acquisition of a goods' cover service. User's goods-related questions that are asked in online forms are replied by other users or by the firms themselves. Indeed, in these firms, users are directly guided to the online goods team from the firm's customer main web site, so much so that users often delegate online teams with similar positions as other user services such as users' service hotline.

With this in mind, customers may measure their online team's experience according to their service interactions. They then may form ideas or knowledge of a firm's service quality according to these associations. In particular, positive association experiences may indicate punctual and beneficial support for users; goods-related needs and refereed returns projects positive knowledge of the firms' total service quality. Conversely, negative experiences might be construed as weak service quality. As a result, users online group experience dictates if a relationship is positive based on their understanding of the firm's quality of service.

3. Research methodology

3.1 Conceptual framework

Based on preceding researches, service quality may be affected by customer experiences. Linkages in the following framework (Figure 6) are supported by researches by P. Nambisan and J. Watt (2011), Nielsen, 2000; Shneiderman and Plaisant (2004), Preece, (2000), Honeycutt (2005), Voss et al. (2003) Mummalaneni (2005), Mathwick et al. (2001), Payne et al. (2009), Bendapudi and Leone (2003), Gruen et al. (2006), and Bickart and Schindler (2001). The schematic diagram in Figure 1 defines the relationships of this study. With these relationships, hypotheses can be postulated and they can be helpful to improve general understanding of the phenomena. The framework encompasses four elements that are posited to exert influence of customer experience on the service quality of the online environment in Iran.

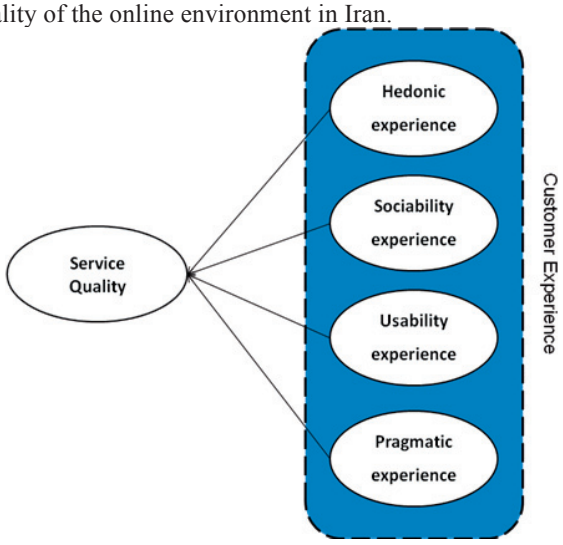

Figure 1: Conceptual framework

3.1.1 Pragmatic experience

Online product communities in the Iranian environment show a basic feature; they usually opt for good solutions to particular product-related problems and would take recommendations and advice on new goods. Nambisan and Watt (2011) stated that one of the vital elements of online customers experience is formed by the pragmatic value of such a community. Pragmatic elements are believed to be based on the aim-oriented behavior of customers (Hoffman & Novak, 1996) and stimulation if users find the online experience useful, worthy and valuable (Mathwick et al., 2001). Based on the Iranian lifestyle and the structure of Iranian online market, it can be posited that their behavior, relevant to the using of these services, has potential effects on service quality in the online environment.

HA_1: Service Quality is significantly and positively affected by Pragmatic Experience.
HA_0: Service Quality is not significantly nor positively affected by Pragmatic Experience.

3.1.2 Hedonic experience

The hedonic dimension of OCE is regarded as the intrinsic value that customers gain from the online goods interactions. This element stimulates user's feelings of enjoyment when they pursue their desired goals of brands and goods. Strong associations relevant to the customers desired aims will provide them the context to project good feelings, happiness and derive fun; and this ultimately converts into the positive hedonic experience (Voss et al., 2003; Mummalaneni, 2005). However, sometimes the interaction might be a boring one for the users, so accordingly the rate of hedonic experience will decrease (Honeycutt, 2005; Mummalaneni, 2005). Since the hedonic dimension is based on intrinsic values, it may therefore be related to cultural beliefs. Iran is a multi-cultural nation consisting of the Persians, Turks, Kurds, and etc., so it may be possible that cultural differences may affect intrinsic values. All these stated reasons trigger the consideration of the hedonic dimension as an independent variable which may influence service quality.

HB_1: Service Quality is significantly and positively affected by Hedonic Experience.
HB_0: Service Quality is not significantly nor positively affected by Hedonic Experience.

3.1.3 Sociability experience

The sociability dimension of OCE considers the social experience which members (customers) extract from his/her interactions in the online product community. This element focuses on the intention and understanding of customers based on their total politeness and openness. As mentioned earlier, OPC (those who make up the social environment) can convey a positive social experience, which causes for easier construction of the network linkage (Preece, 2000). As it pertains to the definition of sociability experience, investigating the effect of this dimension on service quality in Iran is justified.

HC_1: Service Quality is significantly and positively affected by Sociability Experience.
HC_0: Service Quality is not significantly nor positively affected by Sociability Experience.

3.1.4 Usability experience

The usability dimension of OCE is defined as the customers' experience in surfing and using the online community environment (Nambisan and Watt, 2011). Thus, this dimension clearly reflects an aspect of technology. A higher degree of usability experience can mean navigation of the online atmosphere with less problems or drawbacks or help needed in achieving the desired objectives (Nielsen, 2000; Shneiderman and Plaisant, 2004; Preece, 2000). This dimension considers Iranian customers of different age groups and levels of

education as they would naturally have different experiences. Moreover, this dimension can be relevant to and informs on technology acceptance of Iranian customers when seen in contrast to companies' plans. Thus, measuring the impact of usability experiences on service quality will clarify the role of this type of experience.

HD_1: Service Quality is significantly and positively affected by Usability Experience.
HD_0: Service Quality is not significantly nor positively affected by Usability Experience.

3.2. Population and sample

3.2.1 Population

The population of this study is comprised of users in various locations in Tehran, Iran. This particular group of people may or may not have the habit of using online banking services. They were chosen as respondents due to their easy availability. Easy access helps to save cost, time and other human resources.

3.2.2 Sample size

The entirety of the sample size relied on answers provided by respondents to the research questionnaire. With time and cost constraints built into the research, the chance to connect with a large sample is low; therefore, the chosen sample size is determined to be at 150 participants. This is assumed to be enough and representative of the entire population. It should also appropriately shed light onto the researched subject. It is important to know that this exact number of respondents have also been applied in a similar research by Mahmoud et al. (2011). Besides, Caokes and Steed (2006) asserted that the minimum requirement in terms of the number of respondents in the context of multiple regressions should at least be five times or more than the IVs (Independent Variables). For the regression model in this study, the total number of IVs has 150 pieces of data. Therefore, this requirement is satisfied.

3.2.3 Sampling method

The simple random sampling technique will be used in this research. It is chosen as each factor of the population has been figured out. It is most likely that the pattern of desired characteristics in the population is shared in the chosen sample. This technique of sampling allows for cost and time savings, and is particularly helpful when the size of the population is huge, and the budget and time are restricted. Thus, it was a simple choice and required only one stage of sample selection. On the other hand, it must be noted that compared to stratified techniques of sampling, random sampling is less beneficial. So that can be named as one of the disadvantages of the random sampling technique.

3.3. Reliability of the scale

Validity or reliability of evaluation or of the variables is examined in this research so as to validate the gathered data. One of the most usual estimation of internal consistency is named Cronbach's Alpha. It is a reliability coefficient used to identify good items that have positive linkages with each other; also it is used to determine the average intercorrelation between the elements that are evaluating the concept. The closer Cronbach's Alpha is to 1 the higher the internal consistency reliability (Sekaran, 2003).

The inter-item consistency reliability or the Cronbach's Alpha reliability coefficients of the four independent variables and one dependent variable of this research have been obtained. The items in Table 3.1 indicate the reliability statistic of the variable Perceived Usefulness, which are 4. The reliability test was done via SPSS, and the output is as shown in Table 2.

Table 2: Measure of reliability for 35 pieces of data

Variables	No. of Items	Cronbach's Alpha
Service Quality (SQ)	5	0.812
Pragmatic Experience (PE)	5	0.832
Hedonic Experience (HE)	5	0.745
Sociability Experience (SE)	5	0.798
Usability Experience (UE)	5	0.849

The result indicated that the Cronbach's Alpha value of the all items is greater than 0.07 and according to according to Nunnally (1978) that shows that all items are acceptable.

3.4. Data collection

The data were collected within a period of a month. In order to provide flexibility of completion, the survey can be designed into different kinds of forms: personal administered questionnaire, email attachment and printouts for postal completion; for this survey, only the first method was used.

4. Data analysis

4.1. Multiple regression

4.1.1 Factor analysis

One of the main elements of factor analysis is as the Kaiser-Meyer-Olin (KMO) which evaluates the variance in variables that happens due to the underlying elements. According to O' Brien and Robert (2007), KM0 $\leq$ 0.5 is considered poor, while 0 < KMO $\leq$ 0.6 is mediocre. A value between 0.7 and 0.8 is good and a value of more

than 0.8 is considered to be very good. In this research, KMO value is equal to 0.753 (refer to Table 4.33) which indicates a good value. A low KMO value encourages the examination of the anti-image of the correlation matrix. Based on the matrix, to have a perfect factor analysis, diagonal values should be near to 1 and the off diagonal factor should be near to zero. As a matter of fact, if the initial KMO value is low then we must explore various developments by dropping the variables which gives the lowest diagonal value.

Table 3: KMO and Bartlett's test

Kaiser-Meyer-Olin Measure of Sampling Adequacy.		.753
Bartlett's Test of Sphericity	Approx. Chi-Square	2.417E3
	Df	190
	Sig.	.000

Barlett's test can examine sphericity if the correlation matrix is part of an identity matrix, whether the value of diagonal is one and off diagonal is zero. It easily defines if variables are completely independent or if the factor model is unsuitable. Identify matrix could be constructed if p-value is lower than 0.05. Depending on instances, if the p-value is lower than 0.001 then we can simply proceed with factor analysis. Referring to results in Table 3 and also the review of literature, relevant factors can be named as follow:

1: Pragmatic Experience
2: Usability Experience
3: Hedonic Experience
4: Sociability Experience

The factor model showed in Table 4 was then used to analyze the Customer Experience. The result of regression analysis in this section is based on subsequent tables.

Table 4: The factor analysis

Rotated Component Matrix				
	Factors			
	Pragmatic Exp.	**Usability Exp.**	**Hedonic Exp.**	**Sociability Exp.**
Using online services is productive	.861			
Using online services is worthwhile	.812			
Using online services is valuable	.810			
Using online services is informative	.777			
Using online services is useful	.723			
Using online service is pleasant	.591			
The interface of online service motivates me to continue	.537			
It is easy to use online services		.822		
It is not confusing to use online services		.811		
It is not tiring to use online services		.788		
It is simple to use online services		.779		
It is not stressful to use online services		.740		
I am happy with using online services			.820	
I am pleased with online services			.771	
I am excited by the services provided by the online environment			.703	
The entertainment provided by the online services can adjust my mood			.627	
I am captivated by the online services I am using			.622	
Online services are friendly				.887
The interface of online services is polite				.872
The interface of online services is personal				.628

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

Table 5: Regressions' Results

Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.772[a]	.596	.585	.68962

a. Predictors: (Constant), USEABILITY, SOCIABILITY, PRAGMATIC, HEDONIC

Table 5.1: ANOVA[b]

	Model	**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
1	Regression	101.681	4	25.420	53.452	.000[a]
	Residual	68.958	145	.476		
	Total	170.639	149			

a. Predictors: (Constant), USEABILITY, SOCIABILITY, PRAGMATIC, HEDONIC

b. Dependent Variable: SERVICE.QUALITY

Table 5.2: Coefficients[a]

		Unstandardized Coefficients		**Standardized Coefficients**			**Collinearity Statistics**	
	Model	B	Std. Error	Beta	**T**	**Sig.**	Tolerance	VIF
1	(Constant)	-.501	.279		-1.796	.075		
	PRAGMATIC	.172	.058	.164	2.949	.004	.902	1.109
	HEDONIC	.488	.061	.478	7.940	.000	.769	1.300
	SOCIABILITY	.330	.054	.329	6.072	.000	.951	1.052
	USEABILITY	.197	.063	.187	3.112	.002	.771	1.297

a. Dependent Variable: SERVICE.QUALITY

In reference to Caokes and Steed's (2006) argument, the minimum requirement for respondents for multiple regressions should at least be five times more cases than the IVs (Independent variables). For this regression model, the total number of IVs is 150 data. Therefore this requirement is satisfied. Besides, the VIF column indicates that there is no significant multicolinearity among independent variables because all are less than 10 (O'Brien and Robert, 2007).

ANOVA's p-value=0 (F-Stat) in table 5.2 indicates the independent variable can be used for variation of Service Quality. R-square is 0.596 which shows that 59.6% of the customer value is affected by the four identified independent variables (Steel and Torrie, 1960, pp. 187-287).The p-value of Pragmatic Experience (PE) shows a significant impact of PE on SE as it is less than 0.05 (0.004). Furthermore, the value of B in the unstandardized coefficient column (0.172) in table 5.3 indicates that for every unit increase in PE, SQ will go up by 0.172 units. Therefore, this study supports the first hypothesis.

In the Table 5, p-value of Hedonic Experience (HE) is 0.00 which shows that there is a significant impact of HE on SQ. The value of B in the unstandardized coefficient column (0.488) indicates that for every unit increase in HE, SQ will go up by 0.488 units. Therefore, this study supports the related hypothesis.

From the coefficient table of Table 5.2, we note that the p-value of Sociability Experiences (SE) is 0.00 (less than 0.05), so we can be 95% confident of the impact of SE on SQ is Significant. Moreover, the value of B in the

unstandardized coefficient column (0.330) indicates that for every unit increase in SE, SQ will go up by 0.330 units. Thus, the third hypothesis is accepted.

Table 5 shows that the p-value of Usability Experiences equals 0.002 which is less than 0.05. Therefore we can be 95% confident that the impact of UE on SQ is significant. Moreover, the value of B in the unstandardized coefficient column (0.197) indicates that for every unit increase in UE, SQ will go up by 0.197 units. Therefore, the fourth hypothesis is accepted.

5. Discussion and conclusion

5.1. Summary and conclusion

The main goal of this study was to examine the impact of customer experience on service quality of the online environment in Iran. This country as an Asian country in the east of Asia has already been engaging the virtual space in its transactions, and because of new technologies most Iranian people also actively use online services.

The increasing numbers of online users have caused companies to adapt their structure based on online and virtual conditions. They try to find the essential factors which may potentially affect their benefits based on customer-focussed issues. Both customers and companies believe that using online services can facilitate purchasing and selling of any products. Thus, any online service provided by companies needs to be of an appropriate quality in order to satisfy customers' needs and wants.

Today, the Internet has turned into the basic elements for any process involving websites for many corporation for example like Sony, IBM , Microsoft, and the motorcycle manufacturer, Ducati (Nambisan & Watt 2011). This facility allows customers to make contact with companies and also among themselves. In the prior research conducted on the online behavior of consumers, their experiences in the online space were studied. Nevertheless, the most part of this research is about people's experiences in working with the Web in all forms of internet activities (e.g., web browsing, online searching, etc.). For more information read "Web Experiences" (Hoffman & Novak, 1996; Novak et al., 2000). Other authors have investigated into online shopping and retail behavior of customers (Noble et al., 2005; Overby & Lee, 2006). It was investigated in these studies how working with online websites could change and shape customers' preferences and their trends towards buying purposes. A great body of studies has shown that online product communities have such unique characteristics and facilities that we have to go far beyond simple "Web surfing" activity and consider an inclusive concept which could redefine the customer's online community experience (Nambisan & Watt 2011).

5.1.1 Pragmatic experience

One of the objectives of this study was to investigate the relationship between the Pragmatic dimension and the service quality or in the other words, this study attempts to measure the impact of pragmatic experience on service quality. The p-value of Pragmatic Experience (PE) shows that there is significant impact of PE on SE because it is less than 0.05 (0.004). Furthermore, the value of B in the unstandardized coefficient column (0.172) indicates that for every unit increase in PE, SQ will go up by 0.172 units. Therefore, this study supports the first hypothesis. The pragmatic element is based on goal orientation (Hoffman & Novak, 1996) of the users and highlights if the user found the online experience groups valuable, useful and worthwhile (Mathwick et al., 2001).

Thus, the experience of users is connected to these activities in practice. Hence, the companies should plan and try to increase service quality by improving this dimension. Customers should feel that using the online service is useful, informative, productive and valuable. For this purpose, companies need to obtain customers' feedbacks and also advice from experts in web design services.

5.1.2 Hedonic experience

Another objective of this study was concentrated on measuring the impact of Hedonic experience on service quality. In this regard, respondents were asked to share their opinions in term of their happiness level or the entertainment value of using online services. As shown in Table 4.42, p-value of Hedonic Experience (HE) is 0.00 which shows that there is significant impact of HE on SQ. The value of B in the unstandardized coefficient column (0.488) indicates that for every unit increase in HE, SQ will go up by 0.488 units. Consequently, this study supports the related hypothesis. The hedonic dimension of OCE is regarded as the intrinsic value which users obtained from online goods interaction.

This element postulates the enjoyment of users where their goals are the basic emphasis of both goods and brands. Strong engagement and interactions based on the desired goals provide users with the feeling of excitement and might covert into positive hedonic experiences (Voss et al., 2003; Mummalaneni, 2005). Following this discussion, companies should consider making their online services more pleasant for their customers. Sometimes it can happen by just minimizing service taking time through facilitating processes.

5.1.3 Sociability experience

The third objective of this study was to examine the relationship between Sociability Experience and Service Quality. For this purpose, after the Pearson correlation analysis, the Regression analysis measured the impact of sociability experience on service quality. Table 4.42 shows that the p-value of Sociability Experiences (SE) is 0.00 (less than 0.05), so we can be 95% confident that the impact of SE on SQ is Significant. Moreover, the value of B in the unstandardized coefficient column (0.330) indicates that for every unit increase in SE, SQ will go up by 0.330 units. Thus, the third hypothesis is accepted. The sociability dimension of OCE is considered as the social experience which member (customer) extracts his/her interactions from in the online product community. This element also took on the perception politeness, openness and friendliness. Hence, companies can improve service quality by panning on this type of experience.

5.1.4 Usability experience

The last objective of this research was about the measuring of the impact of usability experience on service quality. Table 4.42 shows the p-value of Usability experiences equals to 0.002 which is less than 0.05. Therefore we can be 95% confident that the impact of UE on SQ is significant. Moreover, the value of B in the unstandardized coefficient column (0.197) indicates that for every unit increase in UE, SQ will go up by 0.197 units. Thus, the fourth hypothesis is accepted.

The usability dimension of OCE is defined as the customers' experience in surfing and using the online community environment (Nambisan and Watt, 2011). Thus, this dimension is so that it reflects the convenient application of technology into the online environment. Higher levels of use may enable the users to better navigate online groups without any problems which may hinder them from their goals (Nielsen, 2000; Shneiderman and Plaisant, 2004; Preece, 2000). Hence, companies should try to design online services that are easy for the different levels of customers on the move to improve service quality.

6. Limitations

This study suffers from some limitations such as information inadequacy, finding customers with enough experiences. Besides, distribution of questionnaires to the different levels of customers revealed that the all questions were easy to understand although the concepts of pragmatic, hedonic, and sociability themselves seemed very difficult.

Acknowledgment

The authors are grateful for useful advice, suggestions, and supervision of Prof. Dr. Ahasanul Haque.

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